

Message Text

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SAJ-01 SS-20 NSC-07 ACDA-19 OMB-01 EB-11 MC-02 DRC-01

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S E C R E T SECTION 1 OF 2 USNATO 2025

E.O. 11652: GDS, 12-31-82

TAGS: MCAP, NATO

SUBJ: APRIL 11 DRC EXAMINATION OF NATO FORCE PROPOSALS/GOALS-UK

REF: A. DRC/WP(74)1(REVISED), UK (NOTAL)

B. USNATO 1377

C. USNATO 1905 (NOTAL)

SUMMARY. DRC RE-EXAMINED 1975-80 DRAFT FORCE GOALS FOR UK ON APRIL 11 TO DETERMINE WHETHER REVISED "TOTAL PACKAGE" PRESENTED REASONABLE CHALLENGE. DRC ADDED CAVEAT TO DRAFT COUNTRY CHAPTER WHICH RECOGNIZED GENERAL UNCERTAINTY OF BRITISH DEFENSE PLANS RESULTING FROM NEW GOVERNMENT'S CURRENT DEFENSE REVIEW. DRC UPHELD, WITH FEW REVISIONS, ALL DRAFT FORCE GOALS. DRC REVISED WORDING OF FORCE PROPOSAL ON AWACS.

GUIDANCE REQUESTED: REQUEST WASHINGTON VIEWS ON DESIRED FORCE PROPOSAL LANGUAGE FOR AWACS. END SUMMARY.

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1. DURING APRIL 11 DRC REVIEW OF REVISED UK DRAFT COUNTRY CHAPTER (REF A, POUCH TO WASHINGTON), UK REP SAID CURRENT GENERAL DEFENSE REVIEW BY NEW GOVERNMENT AND ADVERSE ECONOMIC INDICATORS FOR THE FUTURE PRECLUDED BRITISH ENDORSEMENT OF

DRC JUDGMENT THAT REVISED DRAFT FORCE GOALS WERE "ECONOMICALLY FEASIBLE" AND PRESENTED A "REASONABLE CHALLENGE."
UK REP INDICATED THAT
FOR PURPOSES OF 1975-80 PLANNING PERIOD, BRITISH DEFENSE PLANS WERE "IN LIMBO" AND THAT DRAFT FORCE GOALS, IF ADOPTED, COULD ONLY SERVE AS GENERAL GUIDANCE FROM NATO AUTHORITIES ON PRIORITIES THEY ATTACHED TO VARIOUS AREAS OF FORCE PLANNING. CHAIRMAN HUMPHREYS RESPONDED THAT SEVERAL COUNTRIES WERE, LIKE THE UK, REVIEWING DEFENSE PROGRAMS; THAT EVEN A NEW GOVERNMENT'S CAPACITY TO REVISE EXISTING DEFENSE PLANS WAS LIMITED; AND THAT DRC SHOULD TREAT THE UK ACCORDING TO ESTABLISHED PROCEDURES. US REP (CLINARD) CITED SIMILARITY BETWEEN UK AND DUTCH SITUATIONS AND SUGGESTED DRC FOLLOW PRECEDENT, ESTABLISHED DURING DUTCH REVIEW, OF INCLUDING GENERAL CAVEAT IN COUNTRY CHAPTER WHICH CITED UNCERTAINTIES ARISING FROM ONGOING UK DEFENSE REVIEW. DRC ACCEPTED PROPOSAL AND ADDED FOLLOWING "SPECIAL CONSIDERATIONS" TO DRAFT COUNTRY CHAPTER.

BEGIN TEXT.

36(BIS). THE COMMITTEE HAS NOTED A STATEMENT BY THE UNITED KINGDOM AUTHORITIES THAT, IN THE LIGHT OF THE REVIEW OF THEIR CURRENT DEFENSE COMMITMENTS AND CAPABILITIES WHICH ARE NOW BEING UNDERTAKEN, THEY ARE UNABLE TO TAKE A FIRM POSITION ON THE DRAFT FORCE GOALS, THOUGH THEY ACCEPT THEM AS GUIDANCE FROM NATO ON THE PRIORITIES ATTACHED TO VARIOUS AREAS OF FORCE PLANNING. THE COMMITTEE AGREED THAT THE RECOMMENDED FORCE GOALS FOR THE COUNTRY SHOULD BE MAINTAINED.

37. THE PROPOSALS INCLUDED BY THE NATO MILITARY AUTHORITIES FOR COMMON FUNDED PROJECTS WERE DELETED BY THE COMMITTEE FOR ALL COUNTRIES. THEY WILL HAVE TO BE PURSUED IN THE APPROPRIATE NATO FORA, SUCH AS THE INFRASTRUCTURE COMMITTEE.

38. THOSE MEASURES WHICH HAVE BEEN IDENTIFIED AS OFFERING OPPORTUNITIES FOR STANDARDIZATION AND COOPERATION IN DEVELOPMENT, PRODUCTION AND PROCUREMENT OF WEAPON SYSTEMS AS WELL
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AS LOW COST/NO COST ITEMS HAVE BEEN ANNOTATED WITH AN ASTERISK IN THE RELEVANT COLUMN IN THE LIST OF DRAFT FORCE GOALS AT ANNEX B. END TEXT.

2. DRC REVISED PARA 38 OF DRAFT COUNTRY CHAPTER (REF A) AS FOLLOWS:

BEGIN QUOTE.

38. THE RESULTS OF THE MULTILATERAL EXAMINATION HAVE REDUCED THE ESTIMATED COSTS OF THE FORCE PROPOSALS BY SOME 400 MILLION POUNDS. ROUGH ESTIMATES OF THE DRAFT FORCE GOALS NOW INDICATE AN ORDER OF SOME 750 MILLION POUNDS TO BE MADE AVAILABLE IN

ADDITION TO KNOWN COUNTRY PLANS. THIS IS ONLY LITTLE MORE THAN ONE THIRD OF THE AMOUNT CALCULATED ON THE BASIS OF THE MINISTERIAL RESOURCE GUIDANCE AND A HIGHER (OECD) GROWTH RATE OF GNP; IT IS ALSO LOWER THAN THE AMOUNT CALCULATED ON THE BASIS OF A LOWER GNP GROWTH RATE. THE REDUCED DRAFT FORCE GOALS ARE THEREFORE CONSIDERED ECONOMICALLY FEASIBLE. IN THE CASE OF UK, THE MAINTENANCE OF A DEFENSE PERCENTAGE OF GNP AT ITS PRESENT LEVEL, WHICH IS CONSIDERABLY HIGHER THAN THAT FOR EUROPEAN NATO, WILL BE CONSIDERED A REASONABLE CHALLENGE. THESE JUDGMENTS ARE SUBJECT TO RESERVATION BY THE UK IN THE LIGHT OF THE CURRENT DEFENSE REVIEW. END QUOTE.

3. DRC REVISED ECONOMIC AND FINANCIAL PORTION OF DRAFT COUNTRY CHAPTER (REF A) AS FOLLOWS:

BEGIN TEXT.

III. ASSESSMENT OF THE ECONOMIC AND FINANCIAL IMPLICATIONS

THE ECONOMIC SITUATION AND OUTLOOK

32. IN 1973, GROSS NATIONAL PRODUCT PER CAPITA WAS THE 9TH HIGHEST IN NATO EUROPE, THE 11TH HIGHEST IN THE ALLIANCE, AND THE LOWEST AMONG THE INDUSTRIALIZED NATO COUNTRIES WITH THE EXCEPTION OF ITALY. ON THE OTHER HAND, THE PROPORTION OF GNP DEVOTED TO DEFENSE WAS ABOUT 6 PCT, WELL ABOVE THE NATO EUROPE AVERAGE OF 4.2 PCT. DEFENSE EXPENDITURES PER CAPITA WERE THIRD HIGHEST IN EUROPE. REAL GROWTH OF GNP WAS SOME 6 PCT.

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HOWEVER THE INFLATION RATE (ABOUT 9 TO 10 PCT) WAS SOMEWHAT HIGHER THAN IN MOST OTHER EUROPEAN COUNTRIES. IN THE SHORT TERM THE ECONOMIC GROWTH PROSPECTS ARE MARKEDLY LESS FAVORABLE AS A CONSEQUENCE OF LABOR UNREST AND HIGH INFLATION RATES. THERE IS ALSO A VERY SERIOUS BALANCE OF PAYMENTS DEFICIT, EQUIVALENT IN THE LAST QUARTER OF 1973 TO SOME 4 PCT OF GNP, WHICH HAD BEEN STILL FURTHER AGGRAVATED BY THE OIL CRISIS. DURING THE SECOND HALF OF THE DECADE THE UNITED KINGDOM ECONOMY WILL, HOWEVER, BENEFIT INCREASINGLY FROM THE DEVELOPMENT OF NORTH SEA OIL RESERVES WHICH WILL IMPROVE THE GROWTH PROSPECTS AND WILL ALLEVIATE BALANCE OF PAYMENTS DIFFICULTIES IN THE LONGER TERM.

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THE CURRENT FORCE PLANS AND EXPENDITURES

33. INFORMATION ON THE FORCE PLAN OF THE UNITED KINGDOM WAS GIVEN BY THE UNITED KINGDOM AUTHORITIES IN THEIR REPLY TO DPQ(73). THE REPLY ALSO INDICATED THAT DEFENSE EXPENDITURES IN REAL TERM WERE EXPECTED TO DECLINE BY ABOUT 3PCT IN 1974, TO RISE BY 4.5 PCT IN 1975, AND TO HOLD EVEN IN 1976. THE DECEMBER 1973 PUBLIC EXPENDITURE WHITE PAPER INDICATED THAT DEFENSE EXPENDITURES WERE EXPECTED TO RISE BY A YEARLY AVERAGE OF 1.6 PCT IN VOLUME UP TO 1977/78. SUBSEQUENTLY, HOWEVER, REDUCTIONS TOTALING 229 MILLION POUNDS WERE MADE IN THE DEFENSE BUDGET FOR THE CURRENT YEAR. THE GOVERNMENT HAS ALSO MORE RECENTLY ANNOUNCED A REVIEW OF THE DEFENSE PROGRAM FOR THE FOLLOWING YEARS CONSIDERING THAT THE BURDEN BORNE BY THE UNITED KINGDOM IN SUPPORT OF THE COMMON NATO INTEREST SHOULD BE BROUGHT INTO LINE WITH THAT OF THEIR MAJOR EUROPEAN ALLIES.

33(BIS). FOR THE PURPOSES OF THE CALCULATIONS IN THE
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FOLLOWING PARAS IT HAS BEEN ASSUMED, HOWEVER, THAT AN AVERAGE YEARLY RATE OF 1.6 PCT WILL APPLY FOR THE PERIOD 1975-1980 AS A WHOLE. END TEXT.

4. DRC INSERTED BETWEEN PARAS 38 AND 39 OF DRAFT COUNTRY CHAPTER THE FOLLOWING ASSESSMENT CONCERNING MILITARY IMPLICATIONS OF DRC REVISIONS TO NMA FORCE PROPOSALS:

BEGIN TEXT.

IN ORDER TO ACHIEVE THE NECESSARY FINANCIAL REDUCTIONS A SIGNIFICANT NUMBER OF PROPOSALS HAD TO BE AMENDED OR DELETED. THERE HAVE BEEN SIGNIFICANT REDUCTIONS IN MAJOR SURFACE COMBATANTS AND MPA; NUMBERS OF SSN'S; ASW HELICOPTERS AND

MARITIME STRIKE ATTACK AIRCRAFT CALLED FOR IN THE PROPOSALS. ADDITIONALLY, TARGET DATES HAVE BEEN PUT BACK FOR THE INTRODUCTION OF SELF PROTECTION ECM EQUIPMENT IN TACTICAL AIRCRAFT. IN ADJUSTING THE FORCE PROPOSALS, THE DEFENSE REVIEW COMMITTEE HAS ATTEMPTED TO RETAIN THEIR BASIC THRUST BY MAINTAINING THE COMPREHENSIVE AND BALANCED QUALITATIVE FORCE IMPROVEMENT PROGRAM CALLED FOR ; HOWEVER, FOR ECONOMIC REASONS, THIS COULD ONLY BE ACHIEVED BY FORFEITING A NUMBER OF THE QUANTITATIVE FORCE INCREASES PROPOSED. END TEXT.

5. FOLLOWING SUMMARIZES DRC DISCUSSION/CHANGES OF UK DRAFT FORCE GOALS:

A. SERIAL 1L05: UK REP REQUESTED DELETION ON ECONOMIC AND TECHNICAL GROUNDS OF PORTIONS CALLING FOR MOBILE/ESM/ECM CAPABILITY AGAINST AIRBORNE ELECTRONIC SYSTEMS AND FOR WARNING CAPABILITY AGAINST BATTLEFIELD SURVEILLANCE RADARS AND ACTIVE INFRA-RED SYSTEMS. SHAPE REP OBJECTED, CITING ACCEPTANCE OF SIMILAR PROPOSALS BY OTHER CENTRAL REGION NATIONS. DRC UPHELD PROPOSAL WITHOUT CHANGE, BUT AGREED TO NOTE BRITISH RESERVATION IN DRAFT COUNTRY CHAPTER.

B. SERIAL 1M06(B): DRC UPHELD PROPOSAL BUT AGREED TO DRAFT COUNTRY CHAPTER INCLUSION OF BRITISH STATEMENT THAT
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FINANCIAL CONSTRAINTS PRECLUDED MODIFICATION OF ALL DATA EXCHANGE SYSTEMS TO MAKE THEM INTEROPERABLE WITH LINK 11.

C. SERIALS 2M12/14/15 AND 3M09: DRC ADDED PHRASE QUOTE SUBJECT TO AGREEMENT AT THE TIME UNQUOTE TO EACH PROPOSAL.

D. PROPOSAL FOR AIRBORNE EARLY WARNING (AEW) SYSTEM (REF A, PARA 5): UK REP SAID PROPOSAL, AS WORDED, PREJUDGED OUTCOME OF CURRENT DELIBERATIONS BY NATO AIR FORCE ARMAMENTS GROU (NAFAG) AND EXPRESSED PARTICULAR CONCERN WITH PROPOSAL CALLING FOR "JET POWERED" AIRCRAFT. CANADIAN REP SAID HIS AUTHORITIES ALSO OBJECTED TO ORIGINAL PROPOSAL AND SAID US AWACS WAS BUT ONE OF SEVERAL OPTIONS. US REP SAID US SUPPORT FOR PROPOSAL WAS BASED ON ITS BEING TIED TO AWACS. DRC REVISED PROPOSAL TO READ: QUOTE IN CONJUNCTION WITH OTHER ALLIES, CONTINUE TO INVESTIGATE PROVISION OF AN AIRBORNE EARLY WARNING SYSTEM OPTIMIZED FOR NATO. END QUOTE. COMMENT: US ANTICIPATES THAT DURING APRIL 18 DRC REVIEW OF REVISED US COUNTRY CHAPTER, NAM'S WILL PUSH TO INCLUDE LANGUAGE SUCH AS THAT QUOTED ABOVE, CALLING FOR BROADER STUDY OF ALL OPTIONS, EITHER INSTEAD OF OR IN ADDITION TO LANGUAGE AGREED AT APRIL 1 US MULTILATERAL REVIEW. RUMSFELD

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